

## **EGGE – EC’s Expert Group on Gender and Employment**

### **Supplementary information regarding policies to promote gender equality and employment**

#### **Greece**

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**Supplementary information regarding policies to promote gender  
equality and employment: Greece**

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**REPORT FOR THE EUROPEAN COMMISSION'S GROUP OF  
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## 1. Introduction

The Council's Recommendations on the implementation of the Greek employment policy for the year 2002 have raised the following gender-related issues:

- The tax system as well as rules on pension entitlement should be reviewed in order to increase labour supply.
- Wide gender gaps in employment and unemployment should be addressed inter alia by increased provision of care facilities for children and other dependants.

In fact the Greek government is indirectly urged to intensify effort to increase female labour supply, which is considered by the Council as the main constraint to the achievement of Lisbon targets for female employment rates.

In view of the above-mentioned recommendations, we shall provide information on the implementation of a series of measures included in the Greek NAP 2001, which are expected to tackle the issue of insufficient female labour supply.

## 2. Implementation of Law 2874 of 2000

Law 2874/2000 provided for arrangements of work organisation and wage relations, which can operate as incentives for job creation and exit from inactivity and long term unemployment. Assessment of its effectiveness is premature, as it became effective only on 1.4.2001. Hereafter, we provide information only for provisions of the Law that were considered as gender-relevant by the authors of the NAP 2001 and were thus included among the measures of guideline 17. The measures in question are general but, according to the authors of the NAP 2001, they are expected to encourage a greater participation of women into the labour market.

2.1 **Discount** of two percentage points in employer social security contributions for full-time employees receiving up to 200.000 drs (587 Euros) per month. The measure intends to offer employers an incentive for hiring low-paid employees, mostly first job seekers and low qualified workers who suffer from long term unemployment.

The implementation of this measure started on 1.4.2001, but data on the number of firms making use and of jobs benefiting from the discount are not available. This is because the Social Security Fund for employees (IKA) did not have until recently electronic data bases for the insured, the retired and beneficiaries of welfare allowances and several social policy measures. Approvals of discounts are made every three months and are based on quarterly declaration forms submitted by employers. Data are only available on the total amount of discounts, since funds of the same amount are transferred to IKA from the government's budget. An electronic data system started operating on 1.1.2002. Consequently, data on firms and jobs benefiting from the discount and referring to the first quarter of 2002 will become available shortly. Nevertheless, we don't know if data on jobs will be broken down by the gender of their holder.

**2.2 Premium** of 7.5% on pay of part-timers receiving the minimum hourly wage and working less than four hours daily. The measure is meant to make short part time acceptable to the unemployed and the inactive, especially women. This rationale is exposed in the preamble of the Law. However, the authors of the NAP 2001 have presented a different argument under guideline 17: the measure aims at discouraging employers from creating short part-time jobs so that part-time workers have right to insurance. In fact, part-timers enjoy insurance coverage from the first hour of work. The argument that should therefore be retained is that the Greek government wishes that the female take-up rate of short part-time increases. However, at the same time, the incentive offered to women so that they accept to get involved, may operate as a disincentive for employers to provide short part-time jobs.

Data on short part-time are not available for 2002, in order to compare with 2001. Moreover, we have no data on the number of short part-timers receiving the premium. Regular controls realised by the inspectors of IKA on samples of firms and surveys on employment conditions might be able to provide some data on this issue in the future.

**2.3 Monthly allowance** to long-term unemployed who take up part-time jobs of at least four hours daily. The allowance is an incentive for the long-term unemployed to

take up part-time jobs. However, its anticipated impact is highly ambiguous from a gender equality perspective.<sup>1</sup>

The implementation of this measure has not started yet.

### 3. Public Care Services for the Elderly

Public care services for the elderly in Greece are provided today by:

- 530 Open Protection Centres (KAPI), offering psychological support, preventive sanitation instructions and recreation activities to self-sufficient elderly. These Centres belong to municipalities and assist 300 to 1,000 persons each. The first Centre was established in 1978. Since then KAPI have progressively developed into a successful institution helping the elderly overcome isolation and exclusion and organising their participation into public activities.
- The Tele-alarm Programme operating in Athens and Thessaloniki in collaboration with the Greek Red Cross. It started in 1996 and consists in the establishment of terminals at the homes of chronically ill elderly who live alone or stay alone for long hours because their relatives are working away from home. These terminals are linked to a central unit and an operator who calls the relatives or the National Centre of First Aid in case of emergency.
- 285 Social Care Units, also belonging to municipalities, offering assistance at home to non self-sufficient elderly (medical care, psychological support and other forms of help). The Social Care Units are supported by tele-alarm apparatuses distributed to 1,000 persons and 500 special vehicles that take the elderly to Health Centres and hospitals for medical tests and treatment. It is planned that 381 new Units will be created in 2002-2003 with funding from the Regional Operational Programmes of the 3<sup>rd</sup> Community Support Framework.

A new institution is also announced by policy-makers to start in September 2002. It is called Day Care Centres for the Elderly and is thought as complementary to the Social Care Units. While the latter are mobile and offer assistance at home by social and

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<sup>1</sup> It may reduce gender gaps in part-time rates but widen gender gaps in employment rates, since it is mostly men that need incentives for taking up part time jobs.

medical workers, the Day Care Centres will be permanent structures that will provide care to non-sufficient elderly suffering from dementia, kinetic problems etc. They aim at relaxing relatives from the burden of care, thus encouraging female participation into paid work. Eighty such Centres are scheduled for the period 2002-2006 and will be funded by the Regional Operational Programmes of the 3<sup>rd</sup> Community Support Framework. The Day Care Centres will belong to and be run by municipalities.

#### **4. Measures taken to reduce taxes and encourage labour market participation from a gender perspective**

The NAP 2001 included two general measures aiming at increasing labour supply. The gender perspective in the authors' perception of the measures is revealed by their statement under guideline 2 that, though it is difficult to quantify the effect of reducing the tax burden on labour supply, there is persuasive evidence that forms of tax relief do change the situation of certain groups (mainly couples in which the woman does not work as well as single parent families and unskilled workers).

**4.1 Exemption from social security contributions** of full-time employees receiving the minimum wage.

Implementation of this measure started on 1.1.2000. IKA and the Ministry of Finance do not keep data on beneficiaries of this measure. Data are available only for the total amount of exemptions that the State budget owes to IKA.

**4.2. Increase of the ceiling** below which income is **tax free**. The ceiling increased by 5% for income obtained in 2001, that is slightly more than inflation during the same year. It rises today to 2.100.000 drs (6,163 Euros). The government has recently announced a further increase of this ceiling, at the opening session of social dialogue on fiscal reform. Social dialogue is planned to have ended by mid June 2002.

Data broken down by gender on taxpayers having an income below the ceiling under which income is tax free is not available. Moreover, even if this kind of data existed, it would be difficult to quantify the effect of reducing the tax burden on male and female labour supply.